



東方明珠創業有限公司*

Pearl Oriental Innovation Limited

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

CHANGE OF DIRECTORS

The Company announces that Mr. Johnny Yuen has been appointed as an executive director of the Company with effect from 1 January 2007 and Mr. Lin Xizhong has resigned as an executive director of the Company due to his personal reasons with effect from 1 January 2007.

Appointment of New Director

The board of directors is pleased to announce that Mr. Johnny Yuen (“Mr. Yuen”) has been appointed as an executive director of the Company with effect from 1 January 2007.

Mr. Yuen, American Chinese, he is one of the management experts in the first group whom came back to China at the end of 1985. He has more than 30 years of hotel, property investment and management experiences. He is currently the Chairman of Renel Group Co. Ltd and also the Chairman of the Les Amis d’Escoffier Society, Asia-Pacific region. Mr. Yuen also serves as the life member of US Republican Presidential Task Force. He has been awarded successively with the “Foreign Expert Friendship Award of People’s Republic of China” and the “Outstanding Contribution Award of Guangzhou City” etc. Mr. Yuen has extensive connection in China and the board of directors of the Company (the “Board”) strongly believes Mr. Yuen’s joining will be highly helpful for the future business development of the Company in China. The Board extends warmest welcome to Mr. Yuen for his appointment.

Mr. Yuen does not hold any position with the Company or any of its subsidiaries immediately before the date of his appointment. He is not connected with any director, senior management or substantial or controlling shareholder of the Company. As at the date hereof, Mr. Yuen owns 300,000 shares in the Company and does not have any other interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Yuen’s appointment is for a period of two years commencing from 1 January 2007. Mr. Yuen will be entitled to a director’s fee of HK\$300,000 per annum which is determined by reference to his duties and responsibilities and is in line with the director’s fees payable to other executive directors of the Company. He will also be entitled to a discretionary year-end-bonus.

Save as disclosed in this announcement, the Board is not aware of any matter in relation to Mr. Yuen that is required to be disclosed pursuant to the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to Mr. Yuen’s appointment.

Resignation of Director

Mr. Lin Xizhong has resigned as an executive director of the Company due to his personal reasons with effect from 1 January 2007. Mr. Lin has confirmed that there is no disagreement between him and the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders of the Company.

The Board hereby extends its great appreciation for Mr. Lin's contributions to the Group during his tenure of office.

As at the date hereof, the Board comprises six executive Directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Chan Yiu Keung, Mr. Cheung Kwok Yu, Mr. Zhou Li Yang, Mr. Zheng Yingsheng and Mr. Johnny Yuen; one non-executive Director, namely Dr. Robert Fung Hing Piu; and three independent non-executive Directors, namely Dr. Anwar Ibrahim, Dr. Lee G. Lam and Mr. Victor Yang.

By Order of the Board
Pearl Oriental Innovation Limited
Cheung Kwok Yu
Executive Director and Company Secretary

Hong Kong, 4 January 2007

* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.